

Insurer Fined \$487,000 for Selling Bogus ACA Health Insurance Policies

Commissioner Stewart: Beware of Non-compliant Plans

DOVER, DE – Insurance Commissioner Karen Weldin Stewart today announced she has fined Companion Life Insurance Company \$487,000.00 for numerous violations of Delaware's insurance code, including misrepresenting its limited benefit and short term health insurance plans as compliant with the Affordable Care Act.

The fine results from a market conduct examination of Companion conducted earlier this year by Delaware Insurance Department examiners following numerous complaints from Delaware consumers. Companion, a South Carolina company, entered into a Stipulation and Consent Order agreement with the Department on November 2, in which the company admitted to multiple code violations, including failure to provide consumers with pertinent information relating to plan coverage and failure to conduct periodic audits of the operations of two third-party administrators employed by Companion.

The examination revealed that 242 Delaware consumers had purchased non-compliant plans from Companion. One hundred forty-five policyholders chose to terminate their plans, and Companion refunded premiums totaling \$18,008.99. Some consumers chose to keep the policies as a stop-gap measure.

"Consumers have to be careful when choosing a health insurance plan online," said Commissioner Stewart. "The different plans can be confusing and some do not comply with ACA requirements. Before you purchase a policy, please visit www.choosehealthde.com to connect with ACA-approved health navigators who can provide you with free help in picking a

plan that's right for you."

A copy of the Stipulation and Consent Order and the Market Conduct Exam Report for the Companion matter may be found at <http://delawareinsurance.gov/departments/documents/enforcement/actions.shtml>.

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